



STATE OF NEVADA  
**DIVISION OF MORTGAGE LENDING**  
DEPARTMENT OF BUSINESS AND INDUSTRY

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October 15, 2008

JIM GIBBONS  
*Governor*

DIANNE CORNWALL  
*Director*

JOSEPH L. WALTUCH  
*Commissioner*

To: All Mortgage Brokers, Mortgage Agents, Qualified Employees and Initial Applicants

Re: Education/Test Requirement Under AB375

As indicated in the Bulletin posted by the Division of Mortgage Lending on August 25, 2008, under AB375, which was passed in the 2007 legislative session, the following affected individuals must meet the new education/test requirement by January 1, 2009:

- All applicants for an initial license as a mortgage broker or mortgage agent
- All applicants for approval as a qualified employee
- All current mortgage agent licensees who were issued a license after September 30, 2004
- All current mortgage brokers (natural persons) who were issued a license after September 30, 2005, and conduct business on behalf of the company in Nevada
- All current qualified employees who were approved after September 30, 2005

While the education requirements will be detailed in NAC 645B once the new education/test regulation is adopted, the Division encourages individuals affected by this requirement to view the proposed education/test regulation **before** registering for classes to ensure compliance with the education/test requirements by January 1, 2009. For example, under the proposed education/test regulation:

- In lieu of passing a 100-question, multiple-choice test by a score of at least 75%, applicants must complete 30 hours of certified courses of instruction
- At least 15 of the 30 hours of instruction must be live/classroom instruction
- The 30 hours of instruction must include:
  1. 4 hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues;
  2. 12 hours of federal law and regulations relating to mortgage lending, including 2 hours of training related to subprime lending and other non-traditional mortgage products;
  3. 4 hours of Nevada law and regulations relating to mortgage lending; and
  4. 10 hours of electives.

In addition, an applicant for an initial license as a mortgage broker or mortgage agent who is designated as a qualified employee pursuant to NAC 645B.055 must complete, as an elective, at least 4 hours of instruction relating to office policy and procedure, risk management, errors and omissions, affiliated business arrangements, labor relations, general management principles, loan prequalification and loan processing.

Please see the proposed education regulation posted on the Nevada Register of Administrative Regulations, [http://www.leg.nv.us/register/indexes/2008\\_NAC\\_REGISTER\\_NUMERICAL.htm](http://www.leg.nv.us/register/indexes/2008_NAC_REGISTER_NUMERICAL.htm), No. R054-08P.